

AN ACT relating to appropriations providing financing and conditions for the operations, maintenance, support, and functioning of the Transportation Cabinet of the Commonwealth of Kentucky.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. The Transportation Cabinet Budget is as follows:

PART I

OPERATING BUDGET

(1) Funds Appropriations: There is appropriated out of the General Fund, Road Fund, Restricted Funds accounts, Federal Funds accounts, or Bond Funds accounts for the fiscal year beginning July 1, 2019, and ending June 30, 2020, for the fiscal year beginning July 1, 2020, and ending June 30, 2021, and for the fiscal year beginning July 1, 2021, and ending June 30, 2022, the following discrete sums, or so much thereof as may be necessary. Appropriated funds are included pursuant to KRS 48.700 and 48.710. Each appropriation is made by source of respective fund or funds accounts. Appropriations for the budget units of the Transportation Cabinet are subject to the provisions of Chapters 12, 42, 45, and 48 of the Kentucky Revised Statutes and compliance with the conditions and procedures set forth in this Act.

A. TRANSPORTATION CABINET

Budget Units

1. GENERAL ADMINISTRATION AND SUPPORT

	2020-21	2021-22
General Fund	500,000	500,000
Restricted Funds	2,707,600	2,721,200
Road Fund	86,190,700	86,843,100
TOTAL	89,398,300	90,064,300

(1) Biennial Highway Construction Plan: The Secretary of the Transportation Cabinet shall produce a single document that contains two separately identified sections,

1 as follows:

2 Section 1 shall detail the enacted fiscal biennium 2020-2022 Biennial Highway
3 Construction Program and Section 2 shall detail the 2020-2022 Highway Preconstruction
4 Program Plan for fiscal year 2020-2021 through fiscal year 2025-2026 as identified by the
5 2020 General Assembly. This document shall mirror in data type and format the fiscal
6 year 2020-2026 Recommended Six-Year Road Plan as submitted to the 2020 General
7 Assembly. The document shall be published and distributed to members of the General
8 Assembly and the public within 60 days of adjournment of the 2020 Regular Session of
9 the General Assembly.

10 **(2) Debt Service:** Included in the above Road Fund appropriation is \$7,110,100
11 in fiscal year 2020-2021 and \$7,105,900 in fiscal year 2021-2022 for debt service on
12 previously authorized bonds.

13 **(3) Adopt-A-Highway Litter Program:** The Transportation Cabinet and the
14 Energy and Environment Cabinet may receive, accept, and solicit grants, contributions of
15 money, property, labor, or other things of value from any governmental agency,
16 individual, nonprofit organization, or private business to be used for the Adopt-a-
17 Highway Litter Program or other statewide litter programs. Any contribution of this
18 nature shall be deemed to be a contribution to a state agency for a public purpose and
19 shall be treated as Restricted Funds under KRS Chapter 45 and reported according to
20 KRS Chapter 48, and shall not be subject to restrictions set forth under KRS Chapter
21 11A.

22 **2. AVIATION**

23		2020-21	2021-22
24	Restricted Funds	21,319,200	16,355,400
25	Federal Funds	500,000	500,000
26	Road Fund	2,826,800	1,844,000
27	TOTAL	24,646,000	18,699,400

1 **(1) Operational Costs:** Notwithstanding KRS 183.525(5), the above Restricted
2 Funds appropriation includes operational costs of the program in each fiscal year.

3 **(2) Debt Service:** Included in the above Road Fund appropriation is \$1,831,100
4 in fiscal year 2020-2021 and \$837,400 in fiscal year 2021-2022 for debt service on
5 previously authorized bonds. Notwithstanding KRS 183.525(5), \$1,831,100 in fiscal year
6 2020-2021 and \$837,400 in fiscal year 2021-2022 is transferred to the Road Fund from
7 the Kentucky Aviation Economic Development Fund to support debt service on those
8 bonds.

9 **3. DEBT SERVICE**

10		2020-21	2021-22
11	Road Fund	147,991,400	139,643,600

12 **(1) Economic Development Road Lease-Rental Payments:** Included in the
13 above Road Fund appropriation is \$147,991,400 in fiscal year 2020-2021 and
14 \$139,643,600 in fiscal year 2021-2022 for Economic Development Road lease-rental
15 payments relating to projects financed by Economic Development Road Revenue Bonds
16 previously authorized by the General Assembly and issued by the Kentucky Turnpike
17 Authority.

18 **(2) Debt Payment Acceleration Fund Account:** Notwithstanding KRS 175.505,
19 no portion of the revenues to the state Road Fund provided by the adjustments in KRS
20 138.220(2), excluding KRS 177.320 and 177.365, shall accrue to the Debt Payment
21 Acceleration Fund account during the 2020-2022 fiscal biennium.

22 **4. HIGHWAYS**

23		2020-21	2021-22
24	Restricted Funds	114,726,900	114,907,000
25	Federal Funds	728,446,300	732,726,300
26	Road Fund	875,654,500	844,789,800
27	TOTAL	1,718,827,700	1,692,423,100

1 **(1) Debt Service:** Included in the above Federal Funds appropriation is
2 \$79,468,700 in fiscal year 2020-2021 and \$79,388,200 in fiscal year 2021-2022 for debt
3 service on Grant Anticipation Revenue Vehicle (GARVEE) Bonds previously
4 appropriated by the General Assembly.

5 **(2) State Supported Construction Program:** Included in the above Road Fund
6 appropriation is \$291,774,500 in fiscal year 2020-2021 and \$249,881,100 in fiscal year
7 2021-2022 for the State Supported Construction Program.

8 **(3) Biennial Highway Construction Program:** Included in the State Supported
9 Construction Program is \$135,774,500 in fiscal year 2020-2021 and \$93,881,100 in fiscal
10 year 2021-2022 from the Road Fund for state construction projects in the fiscal biennium
11 2020-2022 Biennial Highway Construction Program.

12 **(4) Highway Construction Contingency Account:** Included in the State
13 Supported Construction Program is \$31,000,000 in each fiscal year for the Highway
14 Construction Contingency Account.

15 **(5) Kentucky Pride Fund:** Pursuant to KRS 224.43-505(2)(d), included in the
16 State Supported Construction Program is \$2,500,000 in each fiscal year from the Road
17 Fund to support the Kentucky Pride Fund.

18 **(6) 2018-2020 Biennial Highway Construction Plan:** Projects in the enacted
19 2018-2020 Biennial Highway Construction Plan are authorized to continue their current
20 authorization into the 2020-2022 fiscal biennium.

21 **(7) State Match Provisions:** The Transportation Cabinet is authorized to utilize
22 state construction moneys or Toll Credits to match federal highway moneys.

23 **(8) Federal Aid Highway Funds:** If additional federal highway moneys are made
24 available to Kentucky by the United States Congress, the funds shall be used according to
25 the following priority: (a) Any demonstration-specific or project-specific moneys shall be
26 used on the project identified; and (b) All other funds shall be used to ensure that projects
27 in the fiscal biennium 2020-2022 Biennial Highway Construction Plan are funded. If

1 additional federal moneys remain after these priorities are met, the Transportation
2 Cabinet may select projects from the Highway Preconstruction Program.

3 **(9) Road Fund Cash Management:** The Secretary of the Transportation Cabinet
4 may continue the Cash Management Plan to address the policy of the General Assembly
5 to expeditiously initiate and complete projects in the fiscal biennium 2020-2022 Biennial
6 Highway Construction Plan. Notwithstanding KRS Chapter 45, specifically including
7 KRS 45.242 and 45.244, the Secretary may concurrently advance projects in the Biennial
8 Highway Construction Plan by employing management techniques that maximize the
9 Cabinet's ability to contract for and effectively administer the project work. Under the
10 approved Cash Management Plan, the Secretary shall continuously ensure that the
11 unspent project and Road Fund balances available to the Transportation Cabinet are
12 sufficient to meet expenditures consistent with appropriations provided.

13 **(10) Carry Forward of Appropriation Balances:** Notwithstanding KRS 45.229,
14 unexpended Road Fund appropriations in the Highways budget unit for the Construction
15 program, the Maintenance program, and the Research program in fiscal year 2019-2020
16 and in fiscal year 2020-2021 shall not lapse but shall carry forward. Unexpended Federal
17 Funds and Restricted Funds appropriations in the Highways budget unit for the
18 Construction program, the Maintenance program, the Equipment Services program, and
19 the Research program in fiscal year 2019-2020 and in fiscal year 2020-2021, up to the
20 amount of ending cash balances and unissued Highway and GARVEE Bond Funds, to
21 include any interest income earned on those bond funds, and grant balances shall not
22 lapse but shall carry forward.

23 **5. JUDGMENTS**

24 **(1) Payment of Judgments:** Road Fund resources required to pay judgments
25 shall be transferred from the State Construction Account at the time when actual
26 payments must be disbursed from the State Treasury.

27 **6. PUBLIC TRANSPORTATION**

1		2020-21	2021-22
2	General Fund	12,289,000	13,989,000
3	Restricted Funds	2,089,900	603,100
4	Federal Funds	25,799,400	25,809,100
5	TOTAL	40,178,300	40,401,200

6 **(1) Toll Credits:** The Transportation Cabinet is authorized to maximize, to the
7 extent necessary, the use of Toll Credits to match Federal Funds for transit systems
8 capital grants.

9 **7. REVENUE SHARING**

10		2020-21	2021-22
11	Road Fund	348,530,600	350,577,700

12 **(1) County Road Aid Program:** Included in the above Road Fund appropriation
13 is \$131,658,900 in fiscal year 2020-2021 and \$132,429,300 in fiscal year 2021-2022 for
14 the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and
15 179.440. Notwithstanding KRS 177.320(2) and (4), the above amounts have been
16 reduced by \$38,000 each year, which has been appropriated to the Highways budget unit
17 for the support of the Kentucky Transportation Center.

18 **(2) Rural Secondary Program:** Included in the above Road Fund appropriation
19 is \$159,717,400 in fiscal year 2020-2021 and \$160,652,000 in fiscal year 2021-2022 for
20 the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340,
21 177.350, and 177.360. Notwithstanding KRS 177.320(1) and (4), the above amounts have
22 been reduced by \$46,000 in each fiscal year, which has been appropriated to the
23 Highways budget unit for the support of the Kentucky Transportation Center.

24 **(3) Municipal Road Aid Program:** Included in the above Road Fund
25 appropriation is \$55,397,400 in fiscal year 2020-2021 and \$55,721,600 in fiscal year
26 2021-2022 for the Municipal Road Aid Program in accordance with KRS 177.365,
27 177.366, and 177.369. Notwithstanding KRS 177.320(4) and 177.365(1), the above

amounts have been reduced by \$16,000 in each fiscal year, which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(4) Energy Recovery Road Fund: Included in the above Road Fund appropriation is \$334,000 in fiscal year 2020-2021 and \$338,000 in fiscal year 2021-2022 for the Energy Recovery Road Fund in accordance with KRS 177.977, 177.9771, 177.978, 177.979, and 177.981.

(5) County Judge/Executive Expense Allowance: Notwithstanding KRS 67.722, each County Judge/Executive not serving in a consolidated local government shall receive an annual expense allowance of \$2,400 during the 2020-2022 fiscal biennium. Payment shall be made quarterly from the Rural Secondary Program.

8. VEHICLE REGULATION

	2019-20	2020-21	2021-22
Restricted Funds	-0-	14,733,400	14,411,600
Federal Funds	-0-	2,640,100	3,127,100
Road Fund	4,265,500	43,774,600	43,936,000
TOTAL	4,265,500	61,148,100	61,474,700

(1) Debt Service: Included in the above Road Fund appropriation is \$800,000 in fiscal year 2020-2021 and \$1,600,000 in fiscal year 2021-2022 for debt service on previously authorized bonds.

TOTAL - OPERATING

	2019-20	2020-21	2021-22
General Fund	-0-	12,789,000	14,489,000
Restricted Funds	-0-	155,577,000	148,998,300
Federal Funds	-0-	757,385,800	762,162,500
Road Fund	4,265,500	1,504,968,600	1,467,634,200
TOTAL	4,265,500	2,430,720,400	2,393,284,000

PART II

CAPITAL PROJECTS BUDGET

(1) Capital Construction Fund Appropriations and Reauthorizations:

Moneys in the Capital Construction Fund are appropriated for the following capital projects subject to the conditions and procedures in this Act. Items listed without appropriated amounts are previously authorized for which no additional amount is required. These items are listed in order to continue their current authorization into the 2020-2022 fiscal biennium. Unless otherwise specified, reauthorized projects shall conform to the original authorization enacted by the General Assembly.

(2) Expiration of Existing Line-Item Capital Construction Projects: All

appropriations to existing line-item capital construction projects expire on June 30, 2020, unless reauthorized in this Act with the following exceptions: (a) A construction or purchase contract for the project shall have been awarded by June 30, 2020; (b) Permanent financing or a short-term line of credit sufficient to cover the total authorized project scope shall have been obtained in the case of projects authorized for bonds, if the authorized project completes an initial draw on the line of credit within the biennium immediately subsequent to the original authorization; and (c) Grant or loan agreements, if applicable, shall have been finalized and properly signed by all necessary parties. Notwithstanding the criteria set forth in this subsection, the disposition of 2018-2020 fiscal biennium nonstatutory appropriated maintenance pools funded from Capital Construction Investment Income shall remain subject to the provisions of KRS 45.770(5)(c).

(3) **Bond Proceeds Investment Income:** Investment income earned from bond

proceeds beyond that which is required to satisfy Internal Revenue Service arbitrage rebates and penalties and excess bond proceeds upon the completion of a bond-financed capital project shall be used to pay debt service according to the Internal Revenue Service Code and accompanying regulations.

(4) Appropriations for Projects Not Line-Itemized: Inasmuch as the

identification of specific projects cannot be ascertained with absolute certainty at this time, amounts are appropriated for specific purposes to projects which are not individually identified in this Act in the following area: Aircraft Maintenance Pool. Any projects estimated to cost over \$1,000,000 and equipment estimated to cost over \$200,000 shall be reported to the Capital Projects and Bond Oversight Committee.

A. TRANSPORTATION CABINET

Budget Units	2020-21	2021-22
---------------------	----------------	----------------

1. GENERAL ADMINISTRATION AND SUPPORT

001. Maintenance Pool – 2020-2022

Road Fund	2,950,000	2,950,000
-----------	-----------	-----------

002. Construct Whitley County Maintenance Facility and Salt Structure

Road Fund	2,550,000	-0-
-----------	-----------	-----

003. Construct Nicholas County Maintenance Facility and Salt Storage

Road Fund	2,000,000	-0-
-----------	-----------	-----

004. Construct Ballard County Maintenance Facility and Salt Storage – Additional

Reauthorization (\$1,584,000 Road Fund)

Road Fund	700,000	-0-
-----------	---------	-----

005. Construct Hopkins County Maintenance Facility and Salt Storage –

Reauthorization (\$1,800,000 Road Fund)

006. Construct Clay County District Office – Reauthorization (\$7,445,000 Road

Fund)

007. AASHTOWare

Road Fund	1,000,000	1,000,000
-----------	-----------	-----------

2. AVIATION

001. Aircraft Maintenance Pool – 2020-2022

Investment Income	700,000	700,000
-------------------	---------	---------

3. HIGHWAYS

1	001. Repair Loadometer and Rest Areas – 2020-2022		
2	Road Fund	1,500,000	1,500,000
3	002. Road Maintenance Parks – 2020-2022		
4	Road Fund	1,250,000	1,250,000
5	003. Various Environmental Compliance – 2020-2022		
6	Road Fund	490,000	490,000
7	004. Transportation Warehouse Facility Renovation or Replacement		
8	Road Fund	1,500,000	-0-
9	005. Jefferson County – Lease		

PART III

FUNDS TRANSFER

12 The General Assembly finds that the financial condition of state government
13 requires the following action.

14 Notwithstanding the statutes or requirements of the Restricted Funds enumerated
15 below, there is transferred to the General Fund the following amounts in fiscal year 2020-
16 2021 and fiscal year 2021-2022:

17		2020-21	2021-22
18	A. TRANSPORTATION CABINET		
19	1. Aviation		
20	Agency Revenue Fund	438,400	428,800
21	(KRS 183.525(4) and (5))		
22	2. Vehicle Regulation		
23	Agency Revenue Fund	4,400,000	4,400,000
24	(KRS 186.040(6)(a))		
25	3. Vehicle Regulation		
26	Agency Revenue Fund	-0-	2,000,000
27	(KRS 186.040(6)(b))		

1 4. Vehicle Regulation

2	Agency Revenue Fund	-0-	300,000
---	---------------------	-----	---------

3 (KRS 235.080, 235.085, and 235.130)

4	TOTAL - FUNDS TRANSFER	4,838,400	7,128,800
---	------------------------	-----------	-----------

5 **PART IV**6 **TRANSPORTATION CABINET BUDGET SUMMARY**

7 **OPERATING BUDGET**

8	2019-20	2020-21	2021-22
---	----------------	----------------	----------------

9	General Fund	-0-	12,789,000	14,489,000
---	--------------	-----	------------	------------

10	Restricted Funds	-0-	155,577,000	148,998,300
----	------------------	-----	-------------	-------------

11	Federal Funds	-0-	757,385,800	762,162,500
----	---------------	-----	-------------	-------------

12	Road Fund	4,265,500	1,504,968,600	1,467,634,200
----	-----------	-----------	---------------	---------------

13	SUBTOTAL	4,265,500	2,430,720,400	2,393,284,000
----	----------	-----------	---------------	---------------

14 CAPITAL PROJECTS BUDGET

15	2020-21	2021-22
----	---------	---------

16	Road Fund	13,940,000	7,190,000
----	-----------	------------	-----------

17	Investment Income	700,000	700,000
----	-------------------	---------	---------

18	SUBTOTAL	14,640,000	7,890,000
----	----------	------------	-----------

19 **TOTAL – TRANSPORTATION CABINET BUDGET**

20	2019-20	2020-21	2021-22
----	---------	---------	---------

21	General Fund	-0-	12,789,000	14,489,000
----	--------------	-----	------------	------------

22	Restricted Funds	-0-	155,577,000	148,998,300
----	------------------	-----	-------------	-------------

23	Federal Funds	-0-	757,385,800	762,162,500
----	---------------	-----	-------------	-------------

24	Road Fund	4,265,500	1,518,908,600	1,474,824,200
----	-----------	-----------	---------------	---------------

25	Investment Income	-0-	700,000	700,000
----	-------------------	-----	---------	---------

26	TOTAL FUNDS	4,265,500	2,445,360,400	2,401,174.00
----	-------------	-----------	---------------	--------------